



Leo Cherne



Executive Director

The Research Institute of America, Inc.  
589 Fifth Avenue, New York, N.Y. 10017

October 14, 1975

Note by DCT  
10/03/75

The Honorable William E. Colby  
Central Intelligence Agency  
Washington, D.C.

Dear Bill:

Because of the pressures you're under these days, I doubt whether you have had the opportunity to read an analytical paper which has come out of the Office of Political Research. It is dated September 25, 1975 and is entitled "Some Political Implications of Persistent Inflation in Western Europe," by [redacted]. That may not sound like relaxing reading, yet one of the attributes of this truly first-rate piece of work is the ease and clarity [redacted] which content that is both complex and of the highest importance is presented. I have already written to convey my reactions to Ed Proctor and [redacted]

I am writing to you, however, for a very different reason. This paper bears the classification "Confidential - No Foreign Distribution." I think it is important that there be a periodic re-examination of the whole business of classification, a re-examination of both the criteria and the consequences. It seems to me that this paper is an ideal vehicle for such a "debate."

On the side of classification, I can see why it would be a sensitive and disturbing fact for the public to know that the CIA thinks it possible, even though not likely, that rampant and persistent inflation could reappear in most of the countries of Western Europe, and that after an interval of such inflation, a depression comparable to that of the Thirties would not be unlikely. The fact that authoritarian governments might be the end product of the political upheavals produced by such a sequence adds to the unpalatability of such judgments.

Since the paper does try to examine the possibilities in each of the major countries, I can especially understand the argument against our volunteering to our friends the dour view we have of the range of the out-

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comes, country by country. [redacted]

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[redacted] In short, the case for classification is rather easy to make and may indeed be irresistible.

On the other side of that argument, however, are the various consequences which accompany this enforced privacy. No one is more aware than you are of the wholly distorted public weighting of various functions of the CIA that exists today. If this paper were not classified, it would not only demonstrate vividly the analytical work of the Agency but also its exceptionally high quality, as well as the Agency's inherent and tenacious bias toward representative government and political stability.

Another consequence of classification is the sheltering of the public from altogether understanding policies which we as a nation may seek to pursue, or even understanding how things came to the pass they may be in in a not very distant future.

The purpose of intelligence is to assist the policy-maker. When we use that phrase, however, we identify the policy-maker very narrowly. If we broaden that definition just a little, it is very clear that every member of Congress is a vital maker of policy. Yet they are unable to be exposed to this paper. Open the aperture more and we are compelled to face the fact that the public is, in reality (not in rhetoric) a vital part of the policy-making process. Yet the public remains shielded from important contributions to its understanding. In fact, those who are authorized to read such analyses will be very reticent to convey any but the most general aspects of their understanding to those who are not authorized to read a document of this kind.

This brings me, in turn, to another consequence. We are going through an interval in which it appears as though no secrets can be kept any longer. In fact, I would guess that most of those who are authorized to read secure materials tend not to discuss any of the restricted content to which they are exposed. But this also means that they deny themselves the opportunity to ventilate adequately their reasoning, their inclinations, and their policy positions. As an illustration of this, on the staff here at the Research Institute there are four people whose views I would normally seek if I were discussing or thinking about questions of the kind examined in the [redacted] paper. They might reinforce or knock serious holes in

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that reasoning, or in implications which I in turn observe. That's a very vital part of making one's thought tough and critical.

Assistant Secretary of State John Richardson took the initiative many months ago in organizing a group of informed citizens which is studying how our nation may better deal with the greater interdependence in which we find ourselves. The Aspen Institute is deeply involved in this one-time study. Distinguished citizens like John McCloy, Frank Stanton, Robert Anderson, and Daniel Boorstin are engaged in this exploration. This particular study goes to the very heart of some of the more pressing concerns which that commission must deal with. Yet I know of no way that document could be made available to them. As a member of the group, it is not clear to me that I could even refer to the thesis except in the most general terms.

I have by no means exhausted the arguments on both sides of this question. In fact, I don't know where in the Executive Branch a periodic examination of these arguments should take place. However, I do know that in a free society it is urgent that these propositions be re-examined if our thinking about what we're doing is to remain fresh and appropriate to the competing needs which are asserted.

Warm regards.

Sincerely,

A handwritten signature in black ink, appearing to read "George F. Kennan". The signature is fluid and cursive, with a large, stylized 'G' at the beginning.

DDI-2680-75

*Leo Cherne*



Executive Director  
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589 Fifth Avenue, New York, N.Y. 10017

October 14, 1975

Dr. Edward W. Proctor  
Deputy Director for Intelligence  
Central Intelligence Agency  
Washington, D.C.

Dear Ed Proctor:

I have just finished reading an analytical paper by [redacted]  
[redacted] entitled "Some Political Implications of Persistent Inflation  
in Western Europe." This work is so superior that I think it would  
be unfair if I simply confined my appraisal of it to [redacted]

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It is an exceptionally well-reasoned study. The writing style  
is, I think, the very best of any analytical document I've read in a  
very long time. In many ways the paper is a model of what an effort  
of this kind should strive to be if it is to assist those who must now  
or in the future make policy. The paper very clearly enables those  
concerned with policy to understand the implications of phenomena  
they are perceiving or anticipate.

The result of [redacted] work is so important that I regret the need  
to have it classified. I am separately raising the question of classifi-  
cation of this paper not because I think this work is an instance of  
unnecessary classification. On the contrary -- I think I can make a  
good case for classification of this analysis while at the same time  
this may be nearly an ideal illustration of superior work which is  
unavailable to a larger group at some cost to the nation.

I still look back with pleasure to the luncheon at Langley some  
seven months ago.

Sincerely,

*[Signature]*

cc: [redacted]